Public Accounts

2008 - 2009

Public Accounts

2008 - 2009

PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF THE NORTHWEST TERRITORIES

FOR THE YEAR ENDED MARCH 31, 2009

SECTION I

CONSOLIDATED FINANCIAL STATEMENTS

Honourable J. Michael Miltenberger

Minister of Finance

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Northwest Territories Financial Management Board

THE HONOURABLE ANTHONY WHITFORD
COMMISSIONER OF THE NORTHWEST TERRITORIES

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 27 through 31 of the *Northwest Territories Act (Canada),* R.S.C. 1985, c. N-27, and Sections 72 through 74 of the *Financial Administration Act,* R.S.N.W.T. 1988, c. F-4, for the fiscal year ended March 31, 2009.

Honourable J. Michael Miltenberger
Chair

December 7, 2009

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Public Accounts of the
Government of the Northwest Territories

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Northwest Territories Finance

RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, and related information contained in the Public Accounts, is the responsibility of the Government through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector. Where GAAP permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Government Operations. The recommendations of this committee are reviewed and acted on to improve the financial systems and controls.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the change in its net financial resources (debt), the results of its operations and its cash flows for the year. During the course of the audit, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation.

Warren St. Germaine
Comptroller General

December 7, 2009

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Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

I have audited the consolidated statement of financial position of the Government of the Northwest Territories as at March 31, 2009 and the consolidated statements of change in net financial resources (debt), operations and accumulated surplus, and cash flow for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2009 and the changes in its net financial resources (debt), the results of its operations, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Northwest Territories Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Government and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Government and of those organizations listed in note 1 to the consolidated financial statements that have come to my notice during my audit of these consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Northwest Territories Act*, the *Financial Administration Act* of the Northwest Territories and regulations, and the specific operating authorities disclosed in note 1 to the consolidated financial statements.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
December 7, 2009

Government of the Northwest Territories

Consolidated Statement of Financial Position

as at March 31, 2009 (thousands of dollars)

	2009 Actual $	2008 Actual $
Financial Assets		
Cash and cash equivalents *(note 3)*	387,000	464,824
Portfolio investments *(note 4)*	45,045	31,279
Due from the Government of Canada *(note 10)*	47,774	74,062
Accounts receivable *(note 5)*	66,069	94,768
Inventories *(note 6)*	27,276	19,898
Loans receivable *(note 7)*	98,476	62,380
Investment in Northwest Territories Hydro Corporation *(note 8)*	94,245	93,978
	765,885	841,189
Liabilities		
Accounts payable and accrued liabilities *(note 9)*	257,044	264,421
Due to the Government of Canada *(note 10)*	143,688	146,376
Capital lease obligations *(note 11)*	13,767	15,691
Long-term debt *(note 12)*	318,655	288,866
Pensions *(note 13)*	20,587	20,350
Other employee future benefits *(note 14)*	42,596	42,460
	796,337	778,164
Net financial resources (debt)	(30,452)	63,025
Non-financial assets		
Tangible capital assets *(schedule A)*	1,185,457	1,101,418
Prepaid expenses	13,182	12,350
	1,198,639	1,113,768
Accumulated surplus	1,168,187	1,176,793

Commitments and contingencies (*notes 17 and 18)*

Approved:

J. Michael Miltenberger
Minister of Finance

Warren St. Germaine
Comptroller General

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Change in Net Financial Resources (Debt)

for the year ended March 31, 2009 (thousands of dollars)

	2009 Budget $	2009 Actual $	2008 Actual $
Net financial resources at beginning of year	63,025	63,025	3,085
Items affecting net financial resources (debt):			
Annual surplus (deficit)	55,550	(8,606)	134,902
Increase in tangible capital assets *(schedule A)*	(220,795)	(85,683)	(65,275)
Increase (decrease) in deferred capital contributions	34,245	1,644	(6,637)
Increase in prepaid expenses	-	(832)	(3,050)
Net financial resources (debt) at end of year	(67,975)	(30,452)	63,025

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Operations and Accumulated Surplus

for the year ended March 31, 2009 (thousands of dollars)

	2009 Budget $	2009 Actual $	2008 Actual $
Revenues			
Grant from the Government of Canada *(note 2(m))*	804,858	804,858	842,750
Transfer payments	130,735	135,450	123,806
	935,593	940,308	966,556
Taxation and general revenues			
Corporate and personal income taxes	129,441	139,993	154,909
Other taxes	93,817	101,827	102,825
General	81,518	65,490	98,911
Sales	75,978	80,263	77,605
Recoveries and amortization of capital contributions	54,435	59,707	54,582
	435,189	447,280	488,832
Recoveries of prior years' expenses	3,000	7,854	17,990
	1,373,782	1,395,442	1,473,378
Expenses *(note 19)*			
Environment and economic development	113,531	108,896	106,127
Infrastructure	295,200	343,337	300,014
Education	287,858	326,224	317,786
Health, social services and housing	423,693	407,698	411,743
Justice	90,873	90,935	90,936
General government	100,296	114,731	102,679
Legislative Assembly and statutory offices	15,386	15,994	16,734
	1,326,837	1,407,815	1,346,019
Annual operating surplus (deficit)	46,945	(12,373)	127,359
Net income from investment in Northwest Territories Hydro Corporation *(note 8)*	8,605	3,767	7,543
Projects on behalf of third parties			
Expenses	(46,922)	(57,631)	(50,797)
Recoveries	46,922	57,631	50,797
Annual surplus (deficit)	55,550	(8,606)	134,902
Accumulated surplus at beginning of year		1,176,793	1,041,891
Accumulated surplus at end of year		1,168,187	1,176,793

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Cash Flow

for the year ended March 31, 2009 (thousands of dollars)

Operating Transactions	2009 Actual $	2008 Actual $
Cash received from:		
Government of Canada	1,007,991	927,624
Taxation	241,543	258,961
Excess income tax advanced	-	8,243
Recoveries and general revenue	142,569	95,193
Projects for third parties	54,699	59,423
Revolving fund sales	79,268	77,980
	1,526,070	1,427,424
Cash paid for:		
Compensation and benefits	592,342	581,105
Grants and contributions	220,793	151,117
Operations and maintenance	497,193	531,166
Excess income tax repayment	38,542	-
Projects for third parties	60,768	53,997
	1,409,638	1,317,385
Cash provided by operating transactions	**116,432**	**110,039**
Capital transactions		
Acquisition of tangible capital assets	(193,423)	(133,604)
Cash used for capital transactions	**(193,423)**	**(133,604)**
Investing transactions		
Portfolio investments redeemed (purchased)	(12,607)	1,038
Loans receivable receipts	451	3,019
Loans receivable advanced	(36,547)	(3,500)
Cash provided by (used for) investing transactions	**(48,703)**	**557**
Financing transactions		
Repayment of capital lease obligations	(1,924)	(2,245)
Long-term financing proceeds	30,909	190,351
Long-term financing repaid	(1,121)	(876)
Capital contributions received and deferred	20,006	11,352
Cash provided by financing transactions	**47,870**	**198,582**
Increase (decrease) in cash and cash equivalents	**(77,824)**	**175,574**
Cash and cash equivalents at beginning of year	464,824	289,250
Cash and cash equivalents at end of year	**387,000**	**464,824**

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

1. AUTHORITY AND OPERATIONS

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible. The following chart lists the organizations comprising the consolidated Government reporting entity, how they are accounted for in the consolidated financial statements and their specific operating authority.

Public Agencies fully consolidated:

Education Act
- Beaufort Delta Divisional Education Council
- Commission scolaire francophone de division
- Deh Cho Divisional Education Council
- Dettah District Education Authority
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Catholic Schools District Education Authority
- Yellowknife Education District No.1 District Education Authority

Aurora College Act
- Aurora College

Hospital Insurance and Health and Social Services Administration Act
- Beaufort Delta Health and Social Services Authority
- Deh Cho Health and Social Services Authority
- Fort Smith Health and Social Services Authority
- Hay River Health and Social Services Authority
- Sahtu Health and Social Services Authority
- Stanton Territorial Health Authority
- Yellowknife Health and Social Services Authority

Tlicho Community Services Agency Act
- Tlicho Community Services Agency

Northwest Territories Business Development and Investment Corporation Act
- Northwest Territories Business Development and Investment Corporation

Northwest Territories Housing Corporation Act
- Northwest Territories Housing Corporation

Human Rights Act
- Northwest Territories Human Rights Commission

Northwest Territories Societies Act
- Northwest Territories Opportunities Fund

Status of Women Council Act
- Status of Women Council of the Northwest Territories

Business Corporations Act
- Deh Cho Bridge Corporation Ltd.

Government Business Enterprise consolidated on the modified equity basis:

Northwest Territories Hydro Corporation Act
- Northwest Territories Hydro Corporation

1. AUTHORITY AND OPERATIONS (continued)

All organizations included in the Government reporting entity have a March 31 fiscal year end with the exception of Aurora College, Divisional Education Councils and District Education Authorities, which have a fiscal year end of June 30. Transactions of these educational organizations that have occurred during the period to March 31, 2009 and that significantly affect the consolidation have been recorded. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties *(note 16)* are excluded from the Government reporting entity. Revolving Funds are segments of the Government that are engaged in commercial activities, with undefined and non lapsing expense appropriations.

(b) Budget

The consolidated budget figures are the appropriations approved by the Legislative Assembly, and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses. They represent the Government's original consolidated fiscal plan for the year and do not reflect supplementary appropriations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to employee future benefits, environmental liabilities, contingencies, revenue accruals, housing mortgages and Students Loan Fund allowances for both forgivable and delinquent mortgages and loans, and amortization expense. Other estimates, such as the Canada Health Transfer and Canada Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by Canada's Department of Finance and are subject to adjustments in future years.

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short-term highly liquid investments that are readily convertible to cash with a maturity date of 90 days or less from the date of acquisition.

(c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost method. Such investments are normally in shares and bonds of the investee. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss and is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Inventories

Inventories for resale consist of bulk fuels, liquor products, and arts and crafts. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Other inventories are valued at the lower of cost, determined on a first in, first out basis and net replacement value.

(e) Loans receivable

Loans receivable are stated at the lower of cost and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Valuation allowances are determined on an individual basis. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(f) Investment in Northwest Territories Hydro Corporation

The Northwest Territories Hydro Corporation and its subsidiaries are accountable to the Government, sell goods and services to the public, can contract in their own name and can maintain themselves without Government support. Consequently, they are accounted for in these financial statements using the modified equity method. Under this method, the Government only reports its investment in, and the consolidated net income of, the Hydro. In addition, any amounts receivable or payable from the corporations are reported.

(g) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(h) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds $50 and are intended to be used on an ongoing basis for delivering services. Individual assets less than $50 are expensed when purchased. Tangible capital assets are recorded at cost, or where actual cost was not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost shared tangible capital assets from the Government of Canada are recorded at their fair market value, upon receipt, with the gifted or cost shared portion shown as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. The assets, when placed in service, are amortized on a straight line basis over their estimated useful lives as follows:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	40 years
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
Water/sewer works	15 - 25 years
Mainframe and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital assets and leases (continued)

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of a change can be clearly demonstrated.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of any payments due. The present value is based on the specified rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. Works of art, historical treasures and crown lands are not recorded.

(i) Pensions and other employee future benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

(j) Commitments and contingencies

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to operating, commercial and residential leases, capital projects and operational funding commitments. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

(k) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where possible, the Government receives accountable advances and any unexpended balances remaining at year end are recorded as liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

(m) Grant from the Government of Canada

The Grant from the Government of Canada is calculated based on a three-year moving averages of personal and corporate income taxes (with a two year delay), fuel taxes, tobacco tax and alcoholic beverage revenues, considering in addition, changes in national average tax rates, population changes and the growth in provincial / local government spending. The Grant is calculated once for each fiscal year and is not revised.

(n) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made.

(o) Taxes and general revenues

Corporate and Personal Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits these taxes monthly based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax estimates, determined by the Government of Canada, combines actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Fuel, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel and Tobacco Tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll Tax is recognized on an accrual basis, based on revenue of the prior year. Property tax and school levies are assessed on a calendar year basis and are recognized in the fiscal year in which the billing occurs. Adjustments arising from reassessments are recorded in revenue in the year they are identified. All other revenues are recognized on an accrual basis.

(p) Expenses

Grants and contributions are recognized as expenses in the period in which the events giving rise to the grant or contribution occurred, as long as the grant or contribution is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites. For contaminated sites, a liability is accrued and an expense recorded based on management's best estimates when the contamination occurs or when the Government becomes aware of the contamination and is obligated, or is likely obligated, to incur such costs. If the likelihood of the Government's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(r) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals are reported separately from other revenues on the consolidated statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

(s) Segmented information

The Government reports on segments on the basis of the accountability relationships of its operations. Segmented information is disclosed in Schedule B. Segments are identified by the nature of an entity's operations and the accountability relationship that a group of similar entities has with the Government.

Entities considered Government Business Enterprises (GBE) for financial reporting purposes have the following characteristics:

(a) it is a separate legal entity with the power to contract in its own name and that can sue and be sued;
(b) it has been delegated the financial and operational authority to carry on a business;
(c) it sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity; and
(d) it can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity.

The nature of their operations is substantially different from the Government and its other entities within the Government Reporting Entity (GRE); therefore, Government Business Enterprises are disclosed as a reportable segment.

Other Public Agencies within the Government Reporting Entity represent another segment. These agencies are typically associated with a particular Government department and have a formalized reporting relationship to that department. For example, Health and Social Services Authorities have an accountability relationship to the Minister of Health and Social Services as well as to their respective board members. The agencies in this segment operate on a not-for-profit basis and assist the Government in delivering its programs and services and in achieving its priorities.

Government departments are identified as one segment to reflect the direct accountability relationships for financial reporting and budgeting between departments, their respective Ministers and the Legislative Assembly. There are no significant allocations of revenues or expenses between segments.

3. CASH AND CASH EQUIVALENTS

	2009	2008
	$	$
Cash	56,290	50,536
Short-term investments	330,710	414,288
	387,000	**464,824**

Cash and cash equivalents include investments in a diversified portfolio of high grade, short-term income producing assets. The portfolio yield for the year ended March 31, 2009 varied from 0.35% to 4.63% (2008 - 1.30% to 4.76%). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 10% to 50% of the total portfolio. There is no significant concentration in any one investment. The average term to maturity, as at March 31, 2009, is 49 days (2008 - 33 days). Included in cash and cash equivalents are funds designated for use for future student loans as follows:

	2009	2008
	$	$
Authorized limit	33,000	33,000
Less: Loans receivable *(note 7)*	(32,478)	(31,861)
Segregated and designated for new loans	**522**	**1,139**

4. PORTFOLIO INVESTMENTS

	2009	2008
	$	$
Marketable securities (market value $41,626; 2008 - $32,594)	44,907	31,192
Miscellaneous investments	137	87
	45,044	**31,279**

$24,809 (2008 - $24,730) of this investment portfolio, while forming part of the Consolidated Revenue Fund, is designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance and Judges Supplemental Pension Plans *(note 13)*. Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act.* The income on investments, including interest, dividends and gains or (losses) on disposal was $1,157 (2008 - $1,293).

5. ACCOUNTS RECEIVABLE

	2009 $	2008 $
General	51,109	74,938
Government of Nunavut	9,367	5,540
Revolving fund sales	3,780	2,785
Accrued interest	784	759
	65,040	**84,022**
Less: allowance for doubtful accounts	(6,052)	(6,918)
	58,988	**77,104**
Receivables from related parties:		
Northwest Territories Hydro Corporation	7,053	17,638
Workers' Safety and Compensation Commission	28	26
	66,069	**94,768**

6. INVENTORIES

	2009 $	2008 $
Bulk fuels	22,467	15,546
Liquor products	3,366	3,175
Public Stores	264	185
Other	1,179	992
	27,276	**19,898**

7. LOANS RECEIVABLE

	2009 $	2008 $
Northwest Territories Business Development and Investment Corporation loans to businesses receivable over a maximum of 25 years, bearing fixed interest between 6.68% and 8.10% , before allowance for doubtful accounts of $7,755 (2008 - $8,850)	34,893	35,847
Arslanian Cutting Works Inc. promissory note receivable, due in 82 monthly installments, including accrued interest at a rate of 5.06% per annum, balance due in 2014. Repayments have been deferred from February 1, 2009 through January 31, 2010 at which time repayments will resume as per the terms described above.	5,661	5,848
Discovery Air loan at 10% interest payable monthly, and principal due in a single payment February 1, 2013.	34,000	-
Deton'Cho Corporation (DCC) non-interest bearing promissory note, repayable in 20 equal installments, balance due in 2013. This note arose from the sale of shares held as security on a $2,600 loan guarantee by the Government for DCC, that was called by the Bank of Montreal. Foregone interest revenue, recorded as a Grant in Kind, is calculated at the Government's long term borrowing rate and amounted to $62 in the year (2008 - $77)	1,040	1,300
Students Loan Fund loans due in installments to 2023, bearing fixed interest between 1.50% and 11.75%, before allowance for doubtful accounts and loan remissions of $14,797 (2008 - $16,410)	32,478	31,861
Northwest Territories Housing Corporation mortgage and interim financing loans to individuals receivable over a maximum of 25 years, bearing fixed interest between 5.95% and 14.25%, before allowance for doubtful accounts of $16,142 (2008 - $15,390)	17,580	16,653
Northwest Territories Hydro Corporation $20,000 line of credit, secured by a promissory note, bearing interest between 0.80% and 3.40%	11,500	11,500
Other	18	21
	137,170	**103,030**
Allowance for doubtful accounts	(38,694)	(40,650)
	98,476	**62,380**

Interest earned on loans receivable during the year was $4,252 (2008 - $3,436).

8. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION

The following is summarized financial information for the Northwest Territories Hydro Corporation (Hydro) as at March 31, 2009.

	2009 $	2008 $
Investment in Northwest Territories Hydro Corporation Shareholder's Equity	**94,245**	**93,978**
Shareholder's Equity is represented by:		
Assets:		
Cash	5,327	698
Accounts receivable	21,737	30,099
Inventories	3,977	4,081
Prepaid expenses	649	492
Other long-term assets	50,260	60,676
Property, plant and equipment	274,379	257,157
Total assets	**356,329**	**353,203**
Liabilities:		
Short-term debt	29,357	32,920
Accounts payable and accrued liabilities	20,826	22,273
Dividends payable	3,500	3,500
Long-term debt	155,876	151,951
Other long-term liabilities	49,620	46,231
Employee future benefits	2,905	2,350
Total liabilities	**262,084**	**259,225**
	94,245	**93,978**

Statement of Operations and Surplus - Retained Earnings
For the year ended March 31

Revenue	85,893	89,265
Expenses	(82,126)	(81,722)
Net income	**3,767**	**7,543**
Surplus - Retained Earnings at beginning of the year	50,849	46,806
Dividend	(3,500)	(3,500)
Surplus - Retained Earnings at end of the year	**51,116**	**50,849**

Included in the above are revenues from and expenses to entities in the Government's reporting entity of $23,601 (2008 - $25,703) and $19,849 (2008 - $19,248) respectively.

8. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION (continued)

Commitments and contingencies

The approved capital plan, including the estimated cost to complete capital projects in progress, as at March 31, 2009, was $18,230 (2008 - $18,723).

The Corporation has an agreement to purchase natural gas to produce electricity in Inuvik. The minimum obligation is to purchase 5,622,900 cubic metres of natural gas per annum until July 2014. This is consistent with the Corporation's operational requirements. The price is calculated annually on August 1 and is dependent upon the Edmonton Average Unbranded High Sulphur Diesel Price as posted in the Bloomberg Oil Buyers Guide on that date.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009 $	2008 $
Trade	142,786	158,919
Other liabilities	10,117	9,133
Employee and payroll-related liabilities	49,594	48,457
Environmental liabilities *(note 18(a))*	41,899	33,063
Provision for equal pay settlement	6,765	6,876
Accrued interest	248	268
Deferred funding for specified purposes	3,554	4,368
	254,963	**261,084**
Payable to related parties:		
Northwest Territories Hydro Corporation	1,714	2,525
Workers' Safety and Compensation Commission	367	812
	257,044	**264,421**

10. DUE TO THE GOVERNMENT OF CANADA

	2009 $	2008 $
Receivables		
Indian and Inuit hospital and medical care	(2,413)	(28,024)
Canada Mortgage and Housing Corporation	(797)	(801)
Projects on behalf of the Government of Canada	(11,716)	(5,202)
Miscellaneous receivables	(32,848)	(40,035)
	(47,774)	**(74,062)**
Payables		
Excess income tax advanced	84,026	122,568
Advances for projects on behalf of the Government of Canada	6,718	6,637
Miscellaneous payables	13,021	12,129
Deferred revenue	39,923	5,042
	143,688	**146,376**
	95,914	**72,314**

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	$
2010	2,712
2011	9,416
2012	71,778
2013	120
	84,026

11. CAPITAL LEASE OBLIGATIONS

	2009 $	2008 $
Buildings	13,767	15,691

Interest expense related to capital lease obligations for the year was $1,675 (2008 - $1,945), at an implicit average interest rate of 8.81% (2008 - 10.34%). Capital lease obligations are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2009.

	$
2010	3,080
2011	3,080
2012	3,080
2013	3,013
2014	2,204
2015 and beyond	5,894
Total minimum lease payments	20,351
Less: imputed interest	6,584
Present value of minimum lease payments	13,767

12. LONG-TERM DEBT

	2009 $	2008 $
Northwest Territories Housing Corporation loans due to Canada Mortgage and Housing Corporation, repayable in annual installments of $832 to the year 2033, bearing interest at a rate of 6.97% (2008 - 6.97%).	10,296	10,651
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of $8 (2007 - $9) maturing June 2024, bearing interest at 3.39% (2008 - 4.98%).	1,127	1,182
Immigrant investor loans, no interest, each repayable as a single payment 5 years after the date of issue, maturing between April 2009 and April 2014.	130,878	99,969
Yellowknife Catholic Schools debentures, repayable in monthly instalments of $9, including fixed interest at 6.85%, final installment due in 2012.	360	436
Yellowknife Catholic Schools debentures, repayable in monthly installments of $68, including fixed interest at 5.73%, final installment due in 2018.	6,125	6,576
Deh Cho Bridge Corporation Ltd. bonds, issued February 22, 2008, maturing June 1, 2046, bearing interest at 3.17% payable semi-annually and with a capital repayment schedule starting in 2012.	165,439	165,439
Other	4,430	4,613
	318,655	288,866

12. LONG-TERM DEBT (continued)

Principal and interest amounts due in each fiscal year for the next five years:

	Principal	Interest	Total
	$	$	$
2010	30,403	6,506	36,909
2011	28,145	6,439	34,584
2012	20,566	6,358	26,924
2013	26,941	6,221	33,162
2014	35,735	6,071	41,806

The interest paid on long-term debt during the year, as part of the operations and maintenance costs, was $6,580 (2008 - $1,392).

Debt Authority

The Government of Canada, pursuant to subsection 20(2) of the *Northwest Territories Act*, has approved the Government borrowing up to $300 million. Effective April 1, 2007, the Government's borrowing limit was increased to $500 million by Order in Council P.C. 2007-378, dated March 22, 2007.

	2009	2008
	$	$
Government of the Northwest Territories, long-term debt	1,127	1,182
NWT Housing Corporation, loans payable	10,296	10,651
NWT Hydro Corporation, long-term debt	155,825	151,978
NWT Hydro Corporation, operational debt	29,357	32,920
Yellowknife Catholic Schools - District Education Authority	6,485	7,012
Other long-term debt	4,430	4,613
	207,520	**208,356**
Authorized borrowing limit	500,000	500,000
Available borrowing capacity	**292,480**	**291,644**

The Immigrant Investor Loans and the Deh Cho Bridge Corporation Ltd. bonds, while disclosed within the Government's long-term debt, are not part of the Government's debt for the purpose of its Authorized borrowing limit. The Deh Cho Bridge Corporation Ltd. is a Private-Public Partnership and although its debt is consolidated, the Government is not responsible for payment.

13. PENSIONS

a) Plans description

The Government administers the following pension plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges.

Plan recipient	Name of plan	Funded status
MLAs	Legislative Assembly Retiring Allowance Plan (MLAs Regular)	Funded
MLAs	Legislative Assembly Supplemental Retiring Allowance Plan (MLAs Supplemental)	Non Funded
Judges	Judges Registered Plan (Judges Regular)	Funded
Judges	Judges Supplemental Pension Plan (Judges Supplemental)	Non Funded
Employees	Retirement Plan for Employees of the Hay River Health and Social Services Authority	Funded

The Regular Plans for both the MLAs and Judges are contributory defined benefit registered pension plans and are pre-funded. The funds related to these plans are administered by independent trust companies. The Supplemental plans for both the MLAs and Judges are non-contributory defined benefit pension plans and are unfunded; however, the Government has made a voluntary restriction on assets for the purposes of meeting the obligations of the Supplemental plans *(note 4)*.

The Hay River Health and Social Services Authority has a defined benefit pension plan for its employees.

The Government is liable for all benefits. Benefits provided under all five plans are based on years of service and pensionable earnings.

b) Pension liability

	2009 Regular Funded $	2009 Supplemental Unfunded $	Total $
Accrued benefit obligation	36,931	22,479	59,410
Pension fund assets - market related value	(37,774)	-	(37,774)
Unamortized actuarial net gains (losses)	(3,307)	2,258	(1,049)
Pension liability (asset)	**(4,150)**	**24,737**	**20,587**

	2008 Regular Funded $	2008 Supplemental Unfunded $	Total $
Accrued benefit obligation	36,081	22,295	58,376
Pension fund assets - market related value	(40,905)	-	(40,905)
Unamortized actuarial net gains (losses)	1,047	1,832	2,879
Pension liability (asset)	**(3,777)**	**24,127**	**20,350**

13. PENSIONS (continued)

b) Pension liability (continued)

Included in the pension asset of $4,150 (2008 - $3,777) is a deficit for accounting purposes of the Hay River Health and Social Services Authority pension plan in the amount of $2,305 (2008 - $2,540). The Superintendent of Financial Institutions requires that all plans with a solvency ratio less than 100% file an actuarial valuation annually. The solvency shortfall for this plan is $4,439 (2008 - $1,092) and is required to be eliminated within 5 years under the *Pension Benefits Standards Act, 1985*. The values of the plan's assets and liabilities on a solvency basis are calculated as though the plan were wound up and settled on the valuation date of January 1, 2009.

c) Change in pension liability (asset)

	2009		
	Regular Funded	Supplemental Unfunded	Total
	$	$	$
Opening balance	**(3,777)**	**24,127**	**20,350**
Change to pension liability (asset) from cash items:			
Contributions from plan members	(743)	-	(743)
Contributions from Government	(1,413)	(107)	(1,520)
Benefit payment to plan members	(2,188)	(1,018)	(3,206)
Drawdown from plan assets	2,188	-	2,188
Net change to pension liability (asset) from cash items	**(2,156)**	**(1,125)**	**(3,281)**
Change to pension liability (asset) from accrual items:			
Current period benefit cost	2,220	768	2,988
Amortization of actuarial net (gains) losses	(164)	(388)	(552)
Interest on average accrued benefit obligation	2,158	1,355	3,513
Return on plan assets	(2,431)	-	(2,431)
Net change to pension liability (asset) from accrual items	**1,783**	**1,735**	**3,518**
Ending balance	**(4,150)**	**24,737**	**20,587**

13. PENSIONS (continued)

c) Change in pension liability (asset) (continued)

	2008		
	Regular Funded	Supplemental Unfunded	Total
	$	$	$
Opening balance	**(3,020)**	**23,136**	**20,116**
Change to pension liability (asset) from cash items:			
Contributions from plan members	(749)	-	(749)
Contributions from Government	(1,416)	(107)	(1,523)
Benefit payment to plan members	(1,836)	(938)	(2,774)
Drawdown from plan assets	1,836	-	1,836
Net change to pension liability (asset) from cash items	**(2,165)**	**(1,045)**	**(3,210)**
Change to pension liability (asset) from accrual items:			
Current period benefit cost	2,216	740	2,956
Amortization of actuarial net (gains) losses	(516)	(206)	(722)
Interest on average accrued benefit obligation	2,179	1,502	3,681
Return on plan assets	(2,471)	-	(2,471)
Net change to pension liability (asset) from accrual items	**1,408**	**2,036**	**3,444**
Ending balance	**(3,777)**	**24,127**	**20,350**

d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains) / losses and interest on average accrued benefit obligation net of the return on plan assets and contributions from plan members. The total expense as disclosed above is $2,775 (2008 - $2,695). The interest cost on the accrued benefit obligation was determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets was determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected return on plan assets and the actual return on plan assets was $(5,531) (2008 - $275).

In addition to the above, the Government contributed $49,798 (2008 - $57,946) to the Public Service Superannuation Plan. The employees' contributions to this plan were $23,384 (2008 - $24,936).

e) Changes to pension plans in the year

There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2009 (no changes in 2008).

13. PENSIONS (continued)

f) Valuation methods and assumptions used in valuing pension liability

Valuation date

Actuarial valuations were completed for the Legislative Assembly plans as of April 1, 2008 and for the Judges' plans as of April 1, 2008. As the actuarial valuations were not valued as at the year-end, the Legislative Assembly Plans were extrapolated to January 31, 2009 and the Judges' plans were extrapolated to March 31, 2009. The effective date of the next actuarial valuation is April 1, 2011 for both the Legislative Assembly and the Judges' plans. The most recent actuarial valuation for the Retirement Plan for Employees of the Hay River Health and Social Services Authority was completed as at January 1, 2009.

Liability valuation method

The actuarial valuation was performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

Asset valuation method

The asset valuation method, market-related value, for the Legislative Assembly plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the Legislative Assembly regular plan is $18,230 (2008 - $21,108). The asset valuation method for the Judges' plans is market value. The market value of the regular Judges' plan is $3,859 (2008 - $3,913). The fair market value of the Retirement Plan for Employees of the Hay River Health and Social Services Authority is $14,012 (2008 - $17,382).

Actuarial gains and losses

Actuarial gains and losses occur when actual experience varies from estimates. The adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors. The estimated average remaining service lives of the contributors is 6 years for the Legislative Assembly plans, 9.8 years for the Judges' plans, and 8.4 years for the Hay River Health and Social Services Authority plan.

Actuarial assumptions	Hay River H&SS Authority plan	Legislative Assembly plans	Judges' plans
Expected rate of return on plan assets	5.8%	6.0%	6.3%
Rate of compensation increase	3.5%	3.0%	4.0%
Annual inflation rate	2.2%	3.0%	3.0%
Discount rate	5.8%	6.0%	6.0%

Retirement assumptions

- Members of Legislative Assembly at later of age 50, 4 years of service, and end of current session.
- Judges at the earlier of age 60 or when age plus service equals 80.
- Employees of the Hay River H&SS Authority may retire early at age 50. Normal retirement is at age 65.

14. OTHER EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, the Government of the Northwest Territories provides termination and removal benefits to its employees. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

	2009	2008
	$	$
Resignation and retirement	29,996	30,930
Removal	12,600	11,530
	42,596	**42,460**

15. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to the portion of a tangible capital asset that was gifted from or cost shared with the Government of Canada. The most significant of these assets are roads and airports. The capital contributions are deferred and amortized to revenue over the same life as the related asset. Deferred capital contributions are reported as a deduction to tangible capital assets (*Schedule A*).

	2009	2008
	$	$
Deferred capital contributions at beginning of year	276,891	283,528
Add: Assets gifted or cost shared during the year	20,006	11,352
Less: Amortization of capital contributions	(18,362)	(17,989)
Deferred capital contributions at end of year	**278,535**	**276,891**

16. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2009	2008
	$	$
Correctional institutions and other	211	219
Natural Resources - capital	315	406
Public Trustee	5,722	4,032
Territorial and Supreme Courts	727	748
	6,975	**5,405**

17. COMMITMENTS

(a) Contractual obligations

The Government has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2009:

	Expiry Date	2010 $	2011-2023 $	Total $
Block Funding Agreements with Municipalities	2010	54,910	-	54,910
Commercial and residential leases	2023	31,576	80,230	111,806
Equipment leases	2015	4,964	3,030	7,994
Operational commitments	2018	96,906	154,550	251,456
RCMP Policing Agreement	2013	31,346	62,692	94,038
Tangible capital asset projects in progress at year end	2015	112,622	57,166	169,788
Western Harvesters' Assistance Program	2010	132	-	132
		332,456	**357,668**	**690,124**

18. CONTINGENCIES

(a) Environmental liabilities

The Government has identified a number of sites as possibly requiring environmental remediation. The Government has recorded a liability of $21,520, excluding the Giant Mine site, for those sites where the Government is obligated, or is likely obligated to incur costs to remediate the sites and the amount is quantifiable. In 2005, the Government also recorded a liability for its share of the above ground remediation of Giant Mine. The balance of the Giant Mine remediation liability at March 31, 2009 is $20,379. As at March 31, 2009, total environmental liabilities of $41,899 (2008 - $33,063) were included as a component of accounts payable and accrued liabilities.

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year in which they become known.

(b) Guarantees

The Government has guaranteed residential housing loans to banks totaling $6,310 (2008 - $6,482) and indemnified Canada Mortgage and Housing for third party loans totaling $30,844 (2008 - $32,037). In addition, the Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's percentage is limited to the ratio of the Northwest Territories' population to the Canadian population.

The Northwest Territories Business Development and Investment Corporation (BDIC) has three outstanding loans to two northern Community Futures organizations totalling $1,109 (2008 - $1,341). Loans provided by these two organizations from these amounts that later become impaired may be assigned to the BDIC.

18. CONTINGENCIES (continued)

(c) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 56.66% and 44.34%, respectively. The Government has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made.

19. EXPENSES

	2009 $	2008 $
Expenses by Object:		
Grants and contributions	218,880	165,231
Operations and maintenance	531,826	538,104
Compensation and benefits	587,611	576,963
Valuation allowances	145	2,434
Amortization of tangible capital assets *(schedule A)*	69,353	63,287
	1,407,815	**1,346,019**

19. EXPENSES (continued)

Expenses of various Government departments, its territorial corporations and other public agencies are aggregated in the Statement of Operations as follows:

Environment and economic development	Department of Environment and Natural Resources Department of Industry, Tourism and Investment NWT Business Development and Investment Corporation Northwest Territories Opportunities Fund
Infrastructure	Department of Public Works and Services Department of Municipal and Community Affairs Department of Transportation Deh Cho Bridge Corporation Ltd.
Education	Department of Education, Culture and Employment Aurora College All Divisional Education Councils in the NWT All District Education Authorities in the NWT Tlicho Community Services Agency (education portion)
Health, social services and housing	Department of Health and Social Services All Health and Social Services Authorities in the NWT Tlicho Community Services Agency (health portion) NWT Housing Corporation
Justice	Department of Justice
General government	Department of Aboriginal Affairs and Intergovernmental Relations Department of Executive Department of Finance Financial Management Board Secretariat Department of Human Resources
Legislative Assembly and statutory offices	Legislative Assembly NWT Human Rights Commission NWT Status of Women Council

20. RELATED PARTIES

Significant transactions with related parties and balances at year-end are disclosed separately in the financial statements and notes thereto.

21. FAIR VALUE

The fair value of short-term financial instruments, including cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities approximate the carrying amounts because of the short term to maturity.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of loans receivable due to the nature of these loans. The carrying value of the loans receivable should not be seen as the realizable value on immediate settlement of these loans due to the uncertainty associated with such a settlement.

The fair value, and the methods of calculation and assumptions used, for the Government's other long-term financial instruments are as detailed below:

	2009		2008	
	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Portfolio investments	45,044	41,909	31,279	32,681
Due to the Government of Canada	143,688	137,768	146,376	135,529
Capital lease obligations	13,767	17,279	15,691	19,328
Long-term debt	318,655	319,773	288,866	279,780

The fair value of publicly traded investments is based on quoted market prices.

The estimated fair value for due to the Government of Canada, capital lease obligations and long-term debt is calculated by discounting the expected future cash flows at year-end using market interest rates for equivalent terms to maturity.

The long-term debt includes the Deh Cho Bridge bond issue of $165,439 and it is protected by a fixed-to-variable interest rate swap with a fair market value of $2,430.

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Government of the Northwest Territories

Schedule A

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31, (All figures in thousands of dollars)

	Land	Buildings [1]	Other [2]	Leasehold Improvements	Equipment	Computers	2009	2008
	$	$	$	$	$	$	$	$
Cost of tangible capital assets, opening	4,289	1,107,614	770,153	30,351	98,744	46,699	2,057,850	1,937,489
Acquisitions	1,093	83,433	36,435	1,757	11,575	2,129	136,422	132,744
Disposals	(661)	(42,455)	(27,155)	(1)	(1,957)	(12)	(72,241)	(12,383)
Cost of tangible capital assets, closing	4,721	1,148,592	779,433	32,107	108,362	48,816	2,122,031	2,057,850
Accumulated amortization, opening	-	(454,567)	(272,111)	(19,807)	(53,503)	(27,128)	(827,116)	(771,169)
Amortization expense	-	(35,911)	(20,373)	(2,295)	(6,186)	(4,588)	(69,353)	(63,287)
Disposals and write-downs	-	20,326	12,338	1	1,178	11	33,854	7,340
Accumulated amortization, closing	-	(470,152)	(280,146)	(22,101)	(58,511)	(31,705)	(862,615)	(827,116)
Net book value	**4,721**	**678,440**	**499,287**	**10,006**	**49,851**	**17,111**	**1,259,416**	**1,230,734**
Work in Progress [3]							204,576	147,575
Deferred capital contributions *(note 15)*							(278,535)	(276,891)
							1,185,457	**1,101,418**

1 Included in buildings are assets under capital lease (cost, $39,840; accumulated amortization, $15,582; carrying value, $24,258).
2 Includes roads, bridges, airstrips, aprons, and water/sewer works
3 Deh Cho Bridge includes capitalized current year interest cost of $5,917 (2008 -$1,121), that was reduced by interest revenues of $5,438 (2008 - nil)

Government of the Northwest Territories

Schedule B

Segmented Information

for the year ended March 31, (All figures in thousands of dollars)

	Departments	Government Business Enterprises [1]	Other Public Agencies	Total for All Segments	Adjustments [2]	2009	2008
	$	$	$	$	$	$	$
Revenues							
Grant from the Government of Canada	804,858	-	-	804,858	-	804,858	842,750
Transfer payments	127,896	-	22,171	150,067	(14,617)	135,450	123,806
	932,754	-	22,171	954,925	(14,617)	940,308	966,556
Taxation and general revenues							
Corporate and personal income taxes	139,993	-	-	139,993	-	139,993	154,909
Other taxes	93,506	-	8,594	102,100	(273)	101,827	102,825
General	24,840	2,208	519,372	546,420	(480,930)	65,490	98,911
Sales [3]	23,108	85,415	523	109,046	(28,783)	80,263	77,605
Recoveries and amortization of capital contributions	33,731	-	36,540	70,271	(10,564)	59,707	54,582
	315,178	87,623	565,029	967,830	(520,550)	447,280	488,832
Recoveries of prior years' expenses	7,854	-	-	7,854	-	7,854	17,990
	1,255,786	87,623	587,200	1,930,609	(535,167)	1,395,442	1,473,378
Expenses							
Grants and contributions	669,112	-	9,876	678,988	(460,108)	218,880	165,231
Operations and maintenance	330,718	49,280	187,890	567,888	(36,062)	531,826	538,104
Compensation and benefits	241,012	19,222	343,634	603,868	(16,257)	587,611	576,963
Valuation allowances	557		(412)	145		145	2,434
Amortization of tangible capital assets	55,780	13,304	13,556	82,640	(13,287)	69,353	63,287
	1,297,179	81,806	554,544	1,933,529	(525,714)	1,407,815	1,346,019
Annual operating surplus	(41,393)	5,817	32,656	(2,920)	(9,453)	(12,373)	127,359
Net income from investment in Government Business Enterprise - Northwest Territories Hydro Corporation					3,767	3,767	7,543
Projects on behalf of third parties							
Expenses	(57,322)		(14,389)	(71,711)	14,080	(57,631)	(50,797)
Recoveries	57,322	-	14,389	71,711	(14,080)	57,631	50,797
Annual surplus (deficit)	**(41,393)**	**5,817**	**32,656**	**(2,920)**	**(5,686)**	**(8,606)**	**134,902**

1 The Northwest Territories Hydro Corporation is the only Government Business Enterprise for financial reporting purposes.

2 Includes adjustments to remove the effect of Government Business Enterprises accounted on the modified equity basis and entries to eliminate inter-entity balances to comply with generally accepted accounting principles of consolidated financial statements; for example, contributions by departments to boards and agencies are shown under Grant and contributions expense under the "Departments" column. The amounts received by the applicable board or agency (e.g. Health and Social Services Authority, Divisional Education Council) are shown under General revenue in the "Other Public Agencies" column. These amounts are eliminated upon consolidation to avoid double counting and result in significant amounts shown in the "Adjustments" column.

3 To conform with the appropriation process, departments' sales are shown as net of cost of sales and are converted to gross sales for consolidation purposes (via adjustments).

GOVERNMENT OF THE NORTHWEST TERRITORIES
GOVERNMENT INDICATORS
FOR THE YEAR ENDED MARCH 31, 2009
(Unaudited)

HONOURABLE J. MICHAEL MILTENBERGER
Minister of Finance

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INTRODUCTION

The Public Accounts report the financial position and results of operations of the Government for a fiscal year. The Statement of Financial Position discloses the assets, liabilities, accumulated surplus or deficit, as well as the net debt or net financial resource position of the Government. The financial position of the Government is measured at a specific point in time (March 31 fiscal year end), whereas information relating to revenues and expenses encompasses the results for a fiscal year as disclosed in the Statement of Operations. It is important to note that the financial position of a Government is often quite different from the financial condition of the economy.

A research study conducted by the Canadian Institute of Chartered Accountants states:

The financial health of a Government is its financial health as measured by sustainability, vulnerability and flexibility, looked at in the context of the overall economic and financial environment. These terms are defined as follows:

- *Sustainability: the degree to which a Government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.*
- *Flexibility: the degree to which a Government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.*
- *Vulnerability: the degree to which a Government becomes dependent on, and therefore vulnerable to, sources of funding outside its control or influence, both domestic and international.*

The information provided in the following pages is intended to assist readers of the Public Accounts in their assessment of the Government's financial health. It is important to note that the information contained within the Consolidated Financial Statements (Public Accounts – Section I) has been expanded to include full consolidation of all Government controlled organizations on a line-by-line basis, with the exception of one entity, which is accounted for using the modified equity method. The organizations which are included in the Government Reporting Entity are listed in Note 1 to the Consolidated Financial Statements.

The expansion of the Government of the Northwest Territories (GNWT) reporting entity is a requirement of the Public Sector Accounting Board (PSAB). PSAB is the governing body that establishes generally accepted accounting principles for Governments reporting within Canada and are the standards with which the Government must comply.

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) represents the total unduplicated value of goods and services produced within the geographical boundaries of a country, province or territory, regardless of whether the factors of production involved are resident or non-resident. GDP is typically measured in two ways: as total income earned in current production (income-based); and, as total final demand of current production (expenditure-based). Both methods yield the same estimate of GDP. Estimates of GDP are typically expressed at market prices, which includes the impact of taxes and subsidies in the estimate.

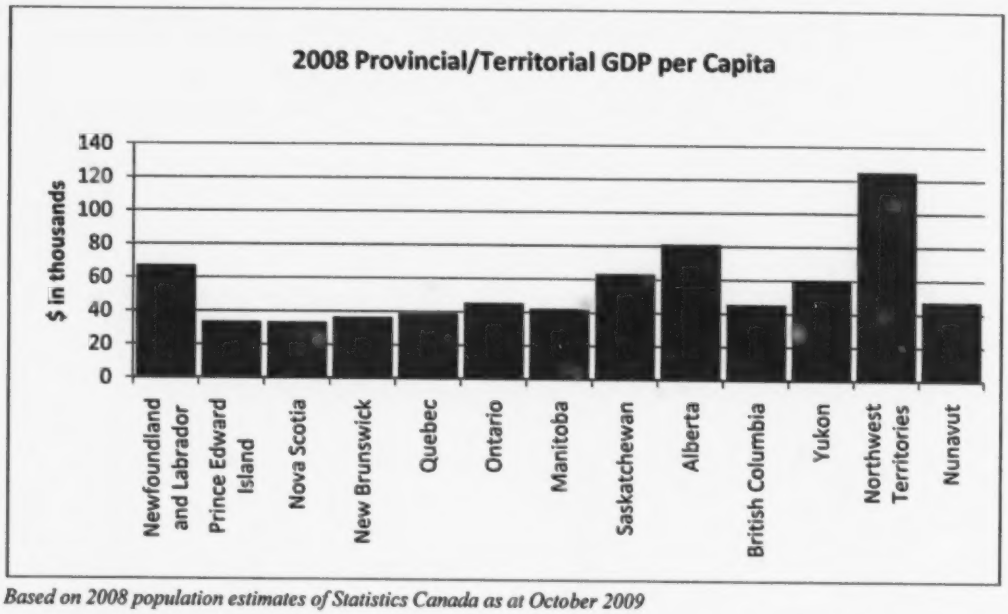
For the Northwest Territories (NWT), Statistics Canada estimates current dollar GDP at market prices at $5,419 million for 2008, which represents a 13.5% increase relative to the 2007 estimate of $4,776 million.

Gross Domestic Product at Market Prices, calendar years 2007 and 2008
Canada, Provinces and Territories
Current Dollars ($ in millions)

	2008	2007	Percent Increase
Canada	1,602,474	1,535,646	4.4
Northwest Territories	5,419	4,776	13.5
Nunavut	1,497	1,386	8.0
Yukon	2,000	1,767	13.2
British Columbia	199,214	192,528	3.5
Alberta	291,662	258,936	12.6
Saskatchewan	64,323	51,628	24.6
Manitoba	50,886	48,549	4.8
Ontario	587,905	584,957	0.5
Quebec	301,479	296,692	1.6
New Brunswick	27,288	26,947	1.3
Nova Scotia	31,458	29,524	6.6
Prince Edward Island	4,716	4,549	3.7
Newfoundland and Labrador	34,209	33,010	3.6

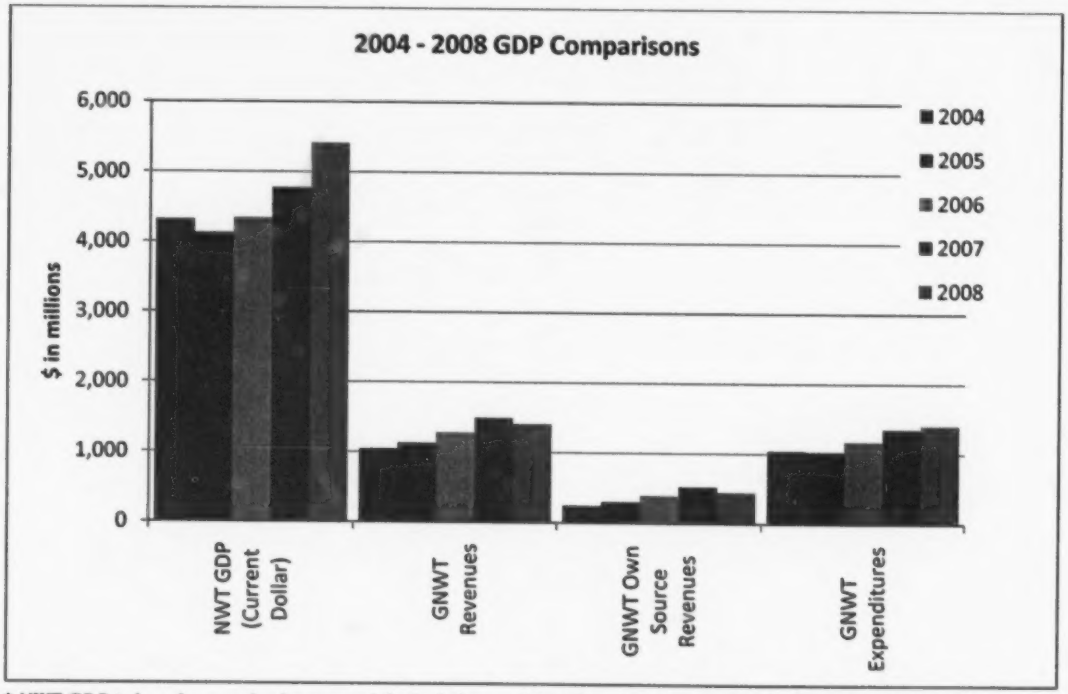
Source: Statistics Canada
Prepared by: NWT Bureau of Statistics

GROSS DOMESTIC PRODUCT (continued)



Based on 2008 population estimates of Statistics Canada as at October 2009

The NWT still has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics.

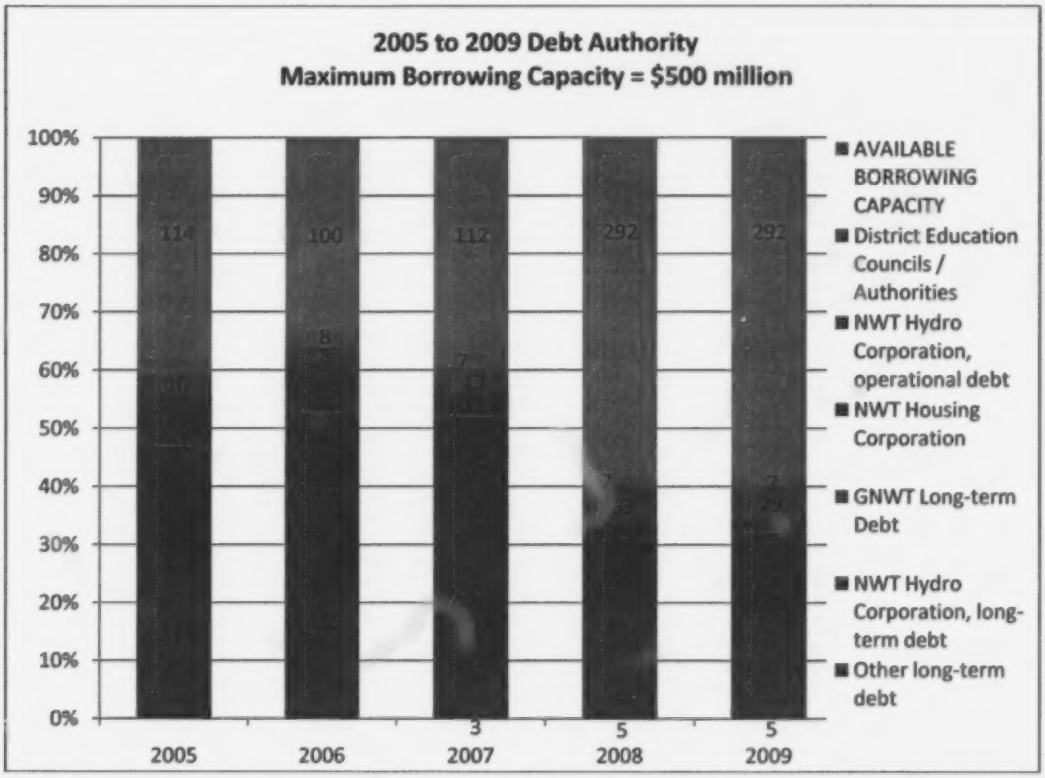


** NWT GDP is based on a calendar year, while the balance of the information is based on the following March 31 fiscal year-ends. Net income from the Hydro Corporation and recoveries are included in GNWT own source revenues.*

LONG-TERM DEBT BORROWING CAPACITY

Canada, pursuant to subsection 20(2) of the *Northwest Territories Act,* has approved Government borrowing up to $500 million. This includes the debt of the various Government entities that are consolidated. The consolidated debt includes the NWT Housing Corporation, the NWT Hydro Corporation (NTHC), the NWT Opportunities Fund, and the Deh Cho Bridge Corporation; however, the latter two entities' debts are excluded from calculations related to the Government's borrowing limit.

The borrowings of the NTHC, while included in the calculation, are serviced through revenues generated by the NTHC, and therefore do not require the Government to fund the related interest expense or principal repayment.

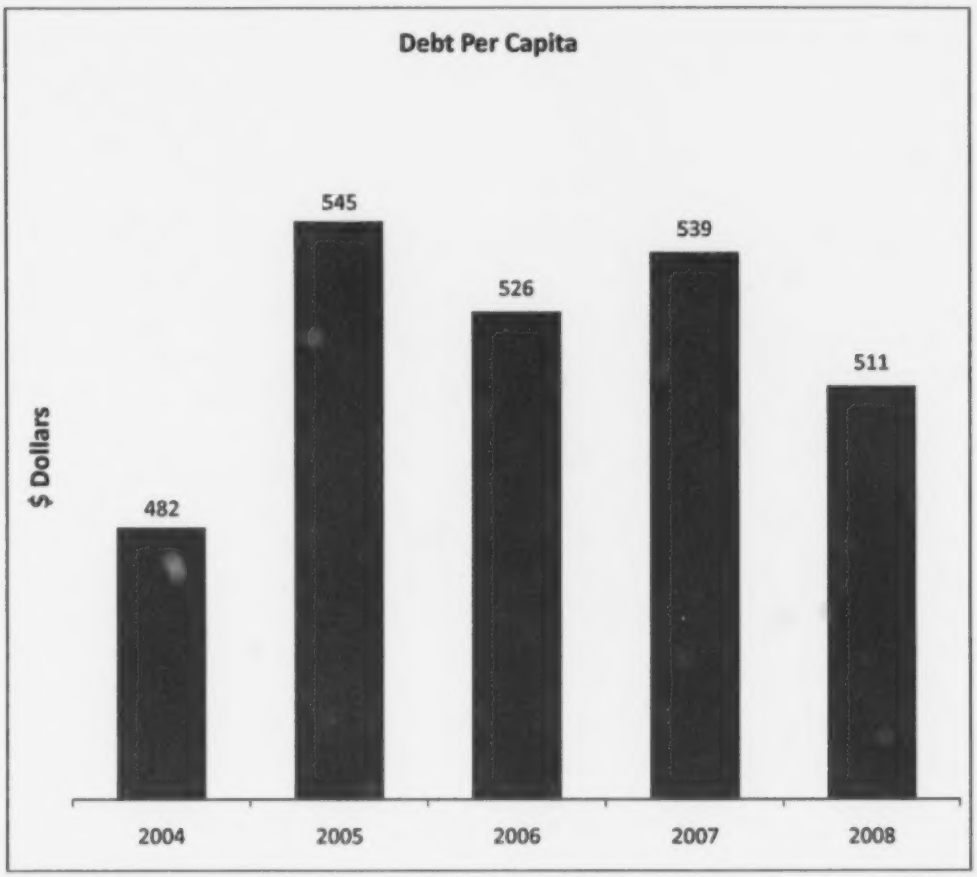


The debt level will likely continue to increase over time given that the Government has implemented a borrowing strategy (see page 15) to allow it to address current infrastructure needs. In anticipation of increasing the Government's debt instruments the Government has obtained a credit rating of Aa1 from Moody's Investors Service.

Effective April 1, 2007, the Government's borrowing limit was increased from $300 million to $500 million by Order in Council P.C. 2007-378, dated March 22, 2007.

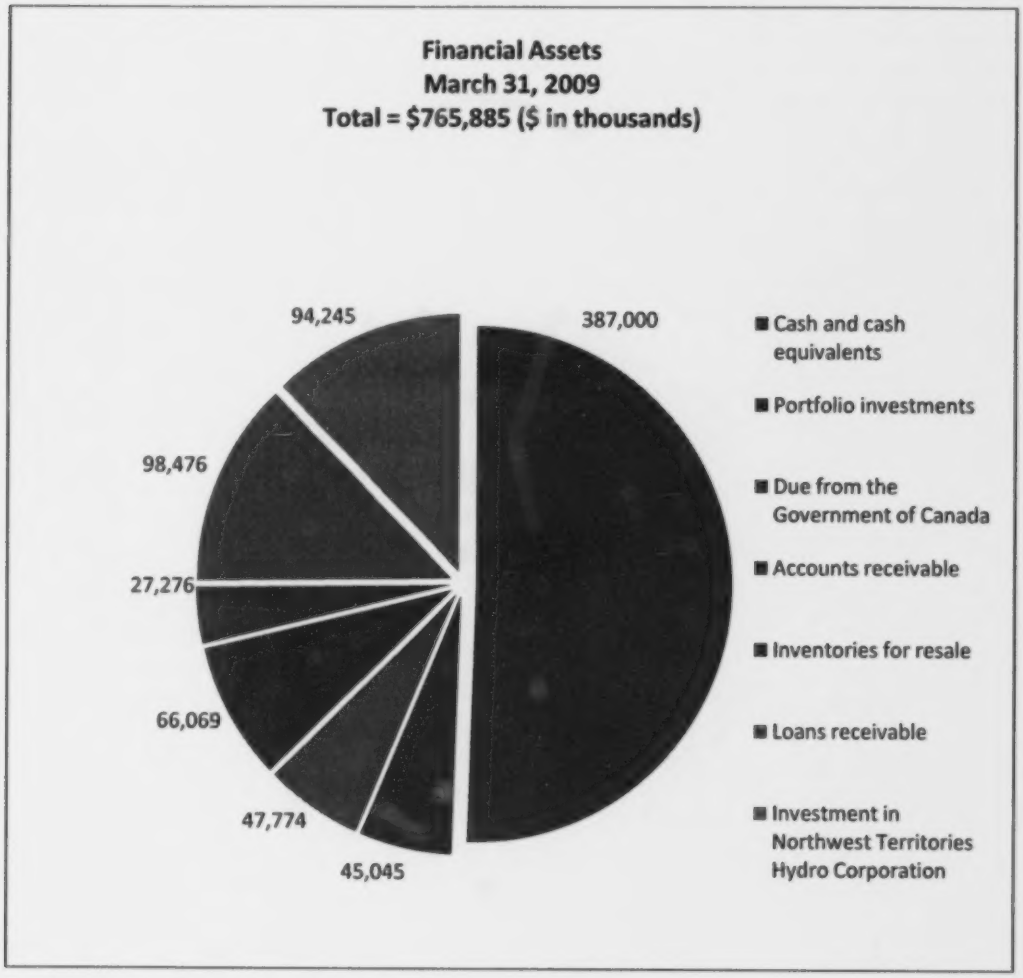
DEBT PER CAPITA

The following chart depicts the debt per capita with respect to the entire debt load that the GNWT is directly responsible for. This debt is comprised of short and long-term borrowing, but excludes the borrowings of the NWT Opportunity Fund, the NWT Hydro Corporation and the Deh Cho Bridge Corporation. At March 31, 2009, long-term debt was $22.3 million, with no short-term borrowings.



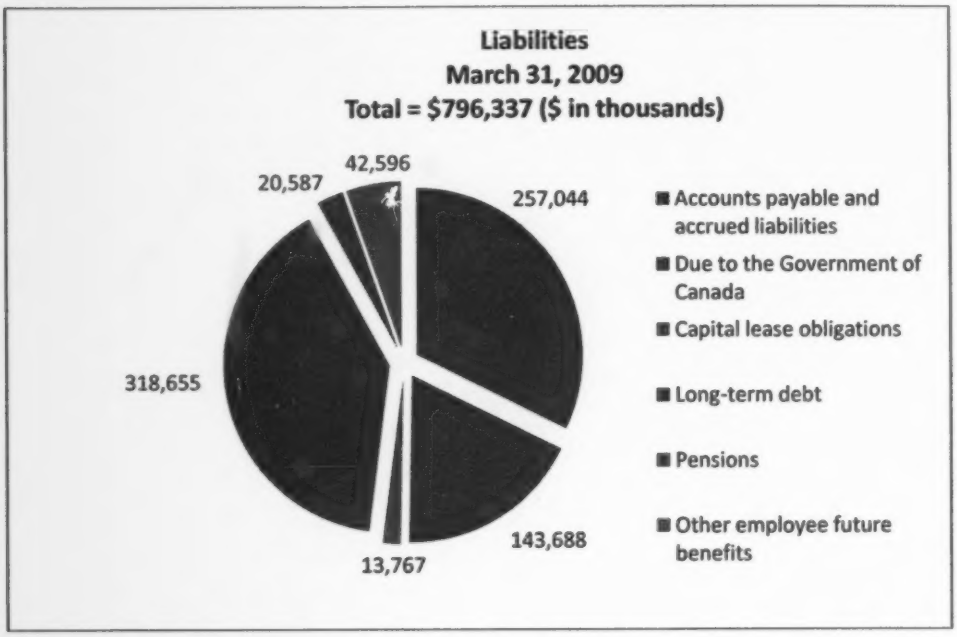
Based on 2008 population estimates of Statistics Canada as at October 2009

FINANCIAL POSITION



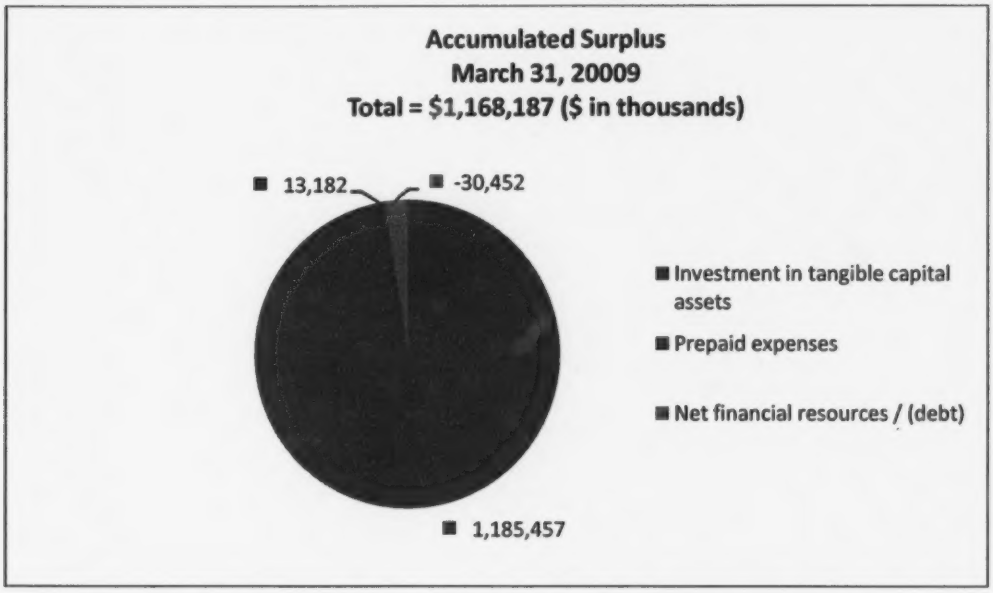
The above graph illustrates the composition of the Government's financial assets.

FINANCIAL POSITION (Continued)



The above graph illustrates the composition of the Government's liabilities.

FINANCIAL POSITION (continued)

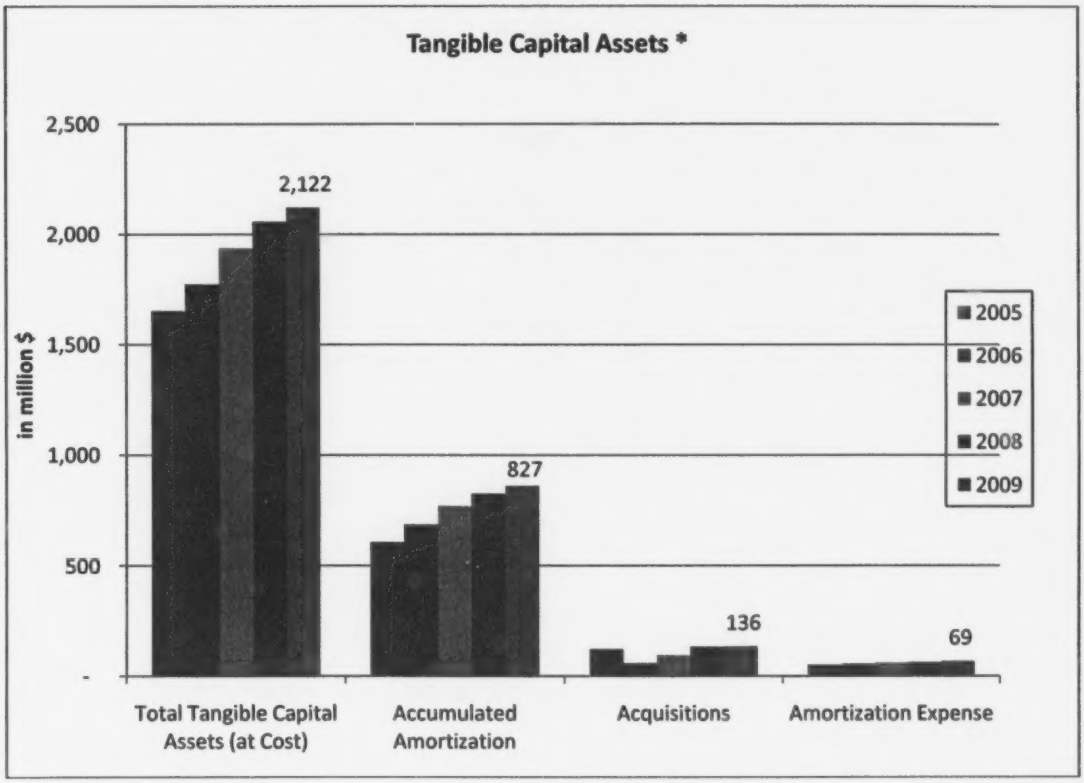


The Government is in a net debt position. This negative amount is subtracted from the Government's investment in tangible capital assets to produce the accumulated surplus balance at the end of the year. The Government would only move to an accumulated deficit if the net debt position of the Government grew over time to the point where it exceeded the total investment in tangible capital assets. An important measure of the flexibility of a Government is the level of financial assets available to meet current and future obligations, as well as to absorb any budgeted annual deficit. A net debt, or net financial resource, position is not a direct reflection of cash available, but rather an indication of sources where cash will or will not become available to meet current and future obligations.

TANGIBLE CAPITAL ASSETS

Tangible capital assets include assets purchased directly by the Government and assets that were fully or partially contributed to the GNWT by Canada or other parties.

The GNWT records tangible capital assets as non-financial assets on its Statement of Financial Position within the Public Accounts. Under this policy, existing assets are capitalized and then expensed as amortization in the financial statements of the Government based on their average useful life.

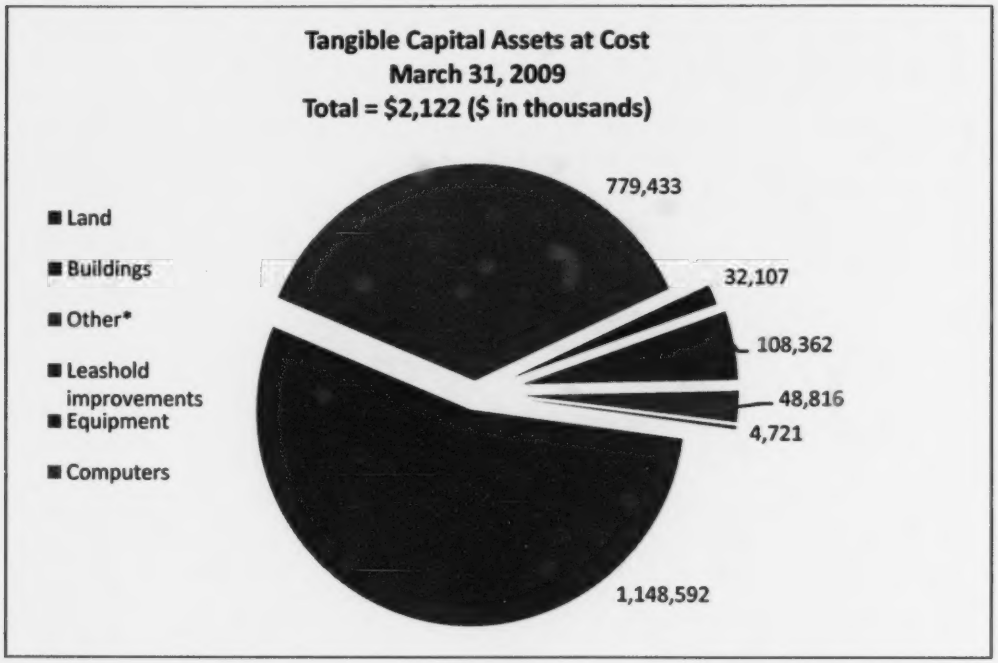


** Does not include Deferred Capital Contributions or investments in assets that were not completed as at March 31 of any year. Such assets are recognized when completed and placed into service.*

The Government must plan its capital expenditures to ensure that the existing assets are replaced and/or expanded in a timely manner and in conjunction with the Government's direction and priorities.

The Government should continue to invest in the replacement of tangible capital assets at a rate that, over time, approximates the rate at which assets are being consumed, in a manner that considers the requirements of both an increasing population and economic growth. In short, tangible capital asset investments must be planned to address two essential points: maintaining existing assets and providing for growth.

TANGIBLE CAPITAL ASSETS (continued)



** Includes roads, bridges, airstrips, aprons and water/sewer works*

The GNWT is currently investing in tangible capital assets at a level that represents between 50% and 60% of the estimated investment needed for replacement and growth. In the 2008-2009 fiscal year, the Government spent $136 million to acquire or construct tangible capital assets. For the 2009-2010 fiscal year, the latest Revised Estimate for spending on tangible capital assets is $311 million.

The NWT requires a significant investment in infrastructure. To ensure ongoing fiscal sustainability, but still allow for necessary investments required to address high priority infrastructure needs, the Government introduced the *Fiscal Responsibility Policy* effective April 1, 2005. This Policy establishes an ongoing approach to finance the Government's infrastructure investments and requires that at least 50% of the Government's annual infrastructure investment be financed by cash generated from operations. A maximum of 50% of the annual infrastructure investment may be financed by debt. This requires the Government to plan for, budget, and realize sufficient operating surpluses on an ongoing basis to finance 50% of capital investments as well as meet debt servicing payments on the amounts borrowed.

The Policy makes the Government accountable for its level of borrowing with the establishment of performance criteria for debt management that ensure the total debt of the Government does not exceed the capacity of the Government to repay the debt as it becomes due.

TANGIBLE CAPITAL ASSETS (continued)

The debt management criteria include the following:

i) Ratio: Government Debt to Revenue

This ratio is an indicator of the increase in debt in proportion to the increase in revenue, where *decreasing* ratios are a positive indicator that the rate of increase in revenue is greater than the rate of increase in debt.

From year to year, the ratio of total Government debt, excluding guaranteed debt, compared to non-consolidated revenue, in relation to provinces *shall be in the lowest 4.*

ii) Ratio: Debt per Capita

This ratio is a measure of the debt burden, on a per person basis, where a *decreasing* ratio is a positive indicator of a decreasing debt burden.

From year to year, the total debt per capita ratio, compared to provinces *shall be in the lowest 5.*

iii) Debt Servicing Costs (interest), as a % of Revenue

This ratio is a measure of the extent that Government revenues are being applied to debt charges, rather than to programs and services, or tax reduction.

From year to year, debt servicing costs on Government debt, excluding amounts paid by Public Agencies, as a % of non-consolidated revenue, compared to other provinces and territories *shall be in the lowest 4.*

iv) Debt Servicing Payments, as a % of Revenue

This is a measure of the extent that Government revenues are being applied to debt charges and debt repayment, rather than on programs and services or to reducing taxes.

From year to year, payments on Government debt, excluding Public Agency debt service payments, as a percentage of non-consolidated revenue *shall not exceed 5% of revenue.*

v) Debt Servicing Payments as a % of 3-year moving GDP average

This ratio is a measure of debt growth in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt. A *decreasing* ratio reflects a consistent improvement in financial position.

Given the volatility of GDP in the NWT, a 3-year moving average GDP shall be used.

From year to year, debt-servicing payments, excluding Public Agency debt, as a % of the 3-year moving GDP average, compared to debt servicing payments of provinces *shall be in the lowest 4.*

vi) Net Debt per Capita

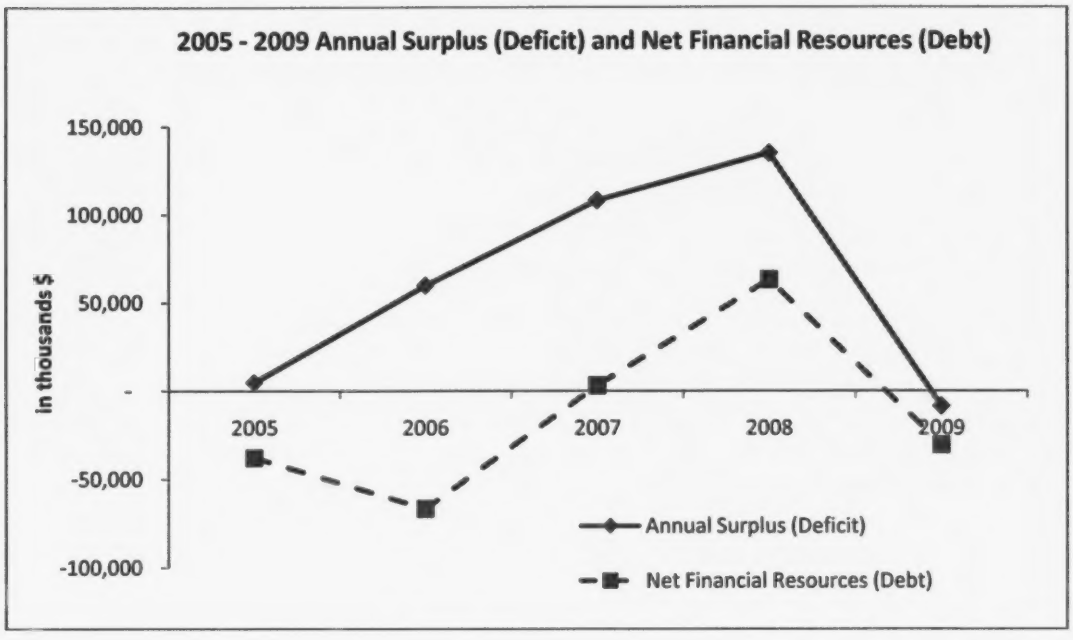
Net debt is the excess of liabilities over financial assets.

From year to year, non-consolidated net debt per capita, compared to provinces *shall be in the lowest 5.*

The GNWT policy on borrowing and performance measurement criteria, for management of debt, will be reviewed and updated annually. Annual reports shall be tabled in the Legislative Assembly.

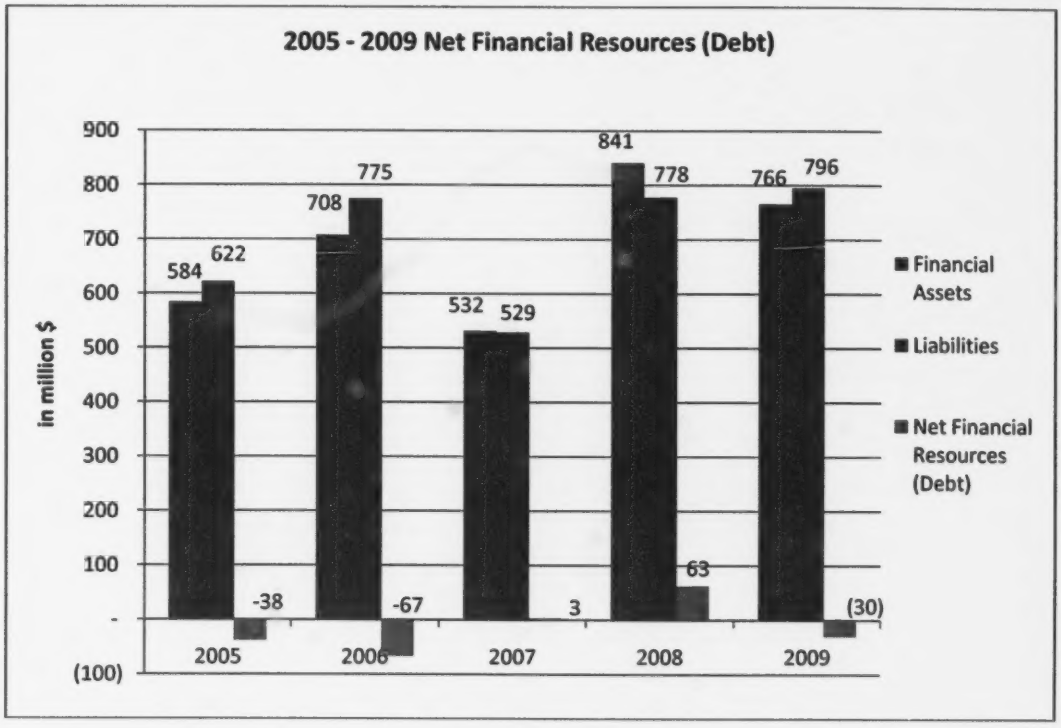
ANNUAL SURPLUS (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)

Net financial resources are the financial resources remaining after being reduced by all liabilities of the Government. Net debt results when there is an excess of liabilities over financial assets. The Government is in a net debt position; liabilities exceeded assets at the fiscal year end. Over the years, the Government's net financial resources (debt) have fluctuated with the annual surplus. This is graphically depicted below.



Net Financial Resources (Debt)

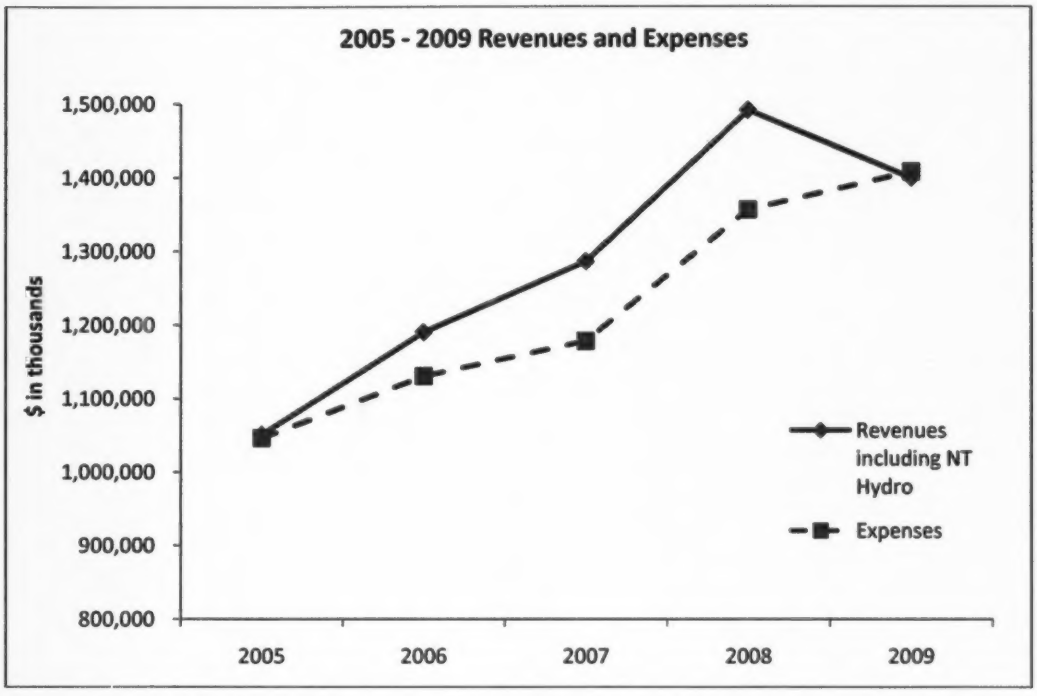
The graph below illustrates the Government's net financial resources (debt) position at the end of each of the last five fiscal years.



Net financial resources (debt) are a good indicator of a Government's ability to meet its existing financial obligations.

Ongoing discussions with Canada regarding revenue sharing may result in additional financial resources in the medium to long term; however, in the interim, the Government may have to fund tangible capital assets with debt and this will impact our net financial position as discussed previously. With so many variables in the calculation of our net financial position, a prediction of an increase in our net financial resources cannot be made without an in-depth analysis. Net financial resources (debt) are affected by dramatic changes in revenues or expenses. Long-term debt will increase and our net financial resource position will deteriorate if revenues do not keep pace with, or exceed, the cost of Government operations.

REVENUES AND EXPENSES



** Revenues depicted above include both recoveries of prior year expenditures and the net income of NWT Hydro Corp.*

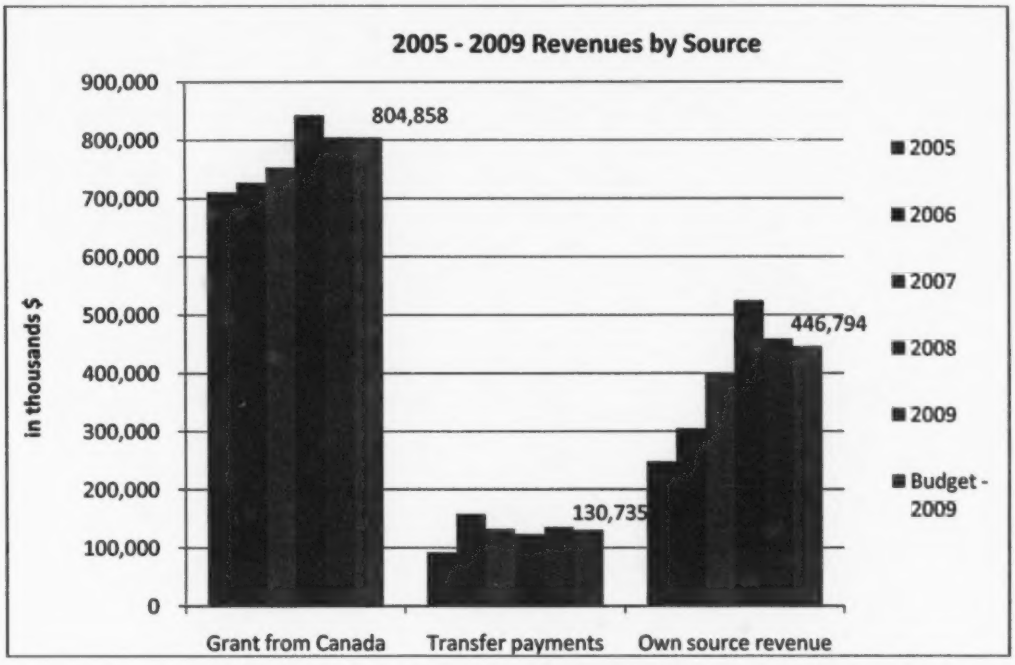
The GNWT funds government programs and services through a combination of transfers from the federal government and own-source revenues. In order to assess the long-term sustainability of the present level of services, various key indicators are monitored on an ongoing basis, including the following:

- Growth rates of revenues and expenditures;
- Changes in the net debt ratio; and
- Impacts of one-time (or non-recurring) events.

For the Government Reporting Entity as a whole over the last five years, both revenues and expenditures have increased on average by approximately 7.6%; however, these trends are subject to an increased margin of error due to the expansion of the Government Reporting Entity, as well as the presence of one-time revenues and expenditures.

The most significant factor that contributes to revenues being more unpredictable than expenses in any given year is the volatility in corporate income tax. Until March 2004, the Grant from Canada was adjusted for fluctuations in our own-source revenues in the same year. Since April 1, 2007, the Grant from Canada has been calculated based on a three-year moving average of data that is lagged two years. As a result, changes in underlying variables, such as corporate income tax, do not lead to a corresponding impact (up or down) on the Grant from Canada until the second, third and fourth years following the year of the change to the input in question. For example, in a single year where corporate income taxes are unusually low, any resulting increase to the Grant from Canada would be received in instalments of 33% of the deficiency in each of the following three years.

REVENUES BY SOURCE



** Own source revenues include both recoveries of prior year expenditures and the net income of NWT Hydro Corp.*

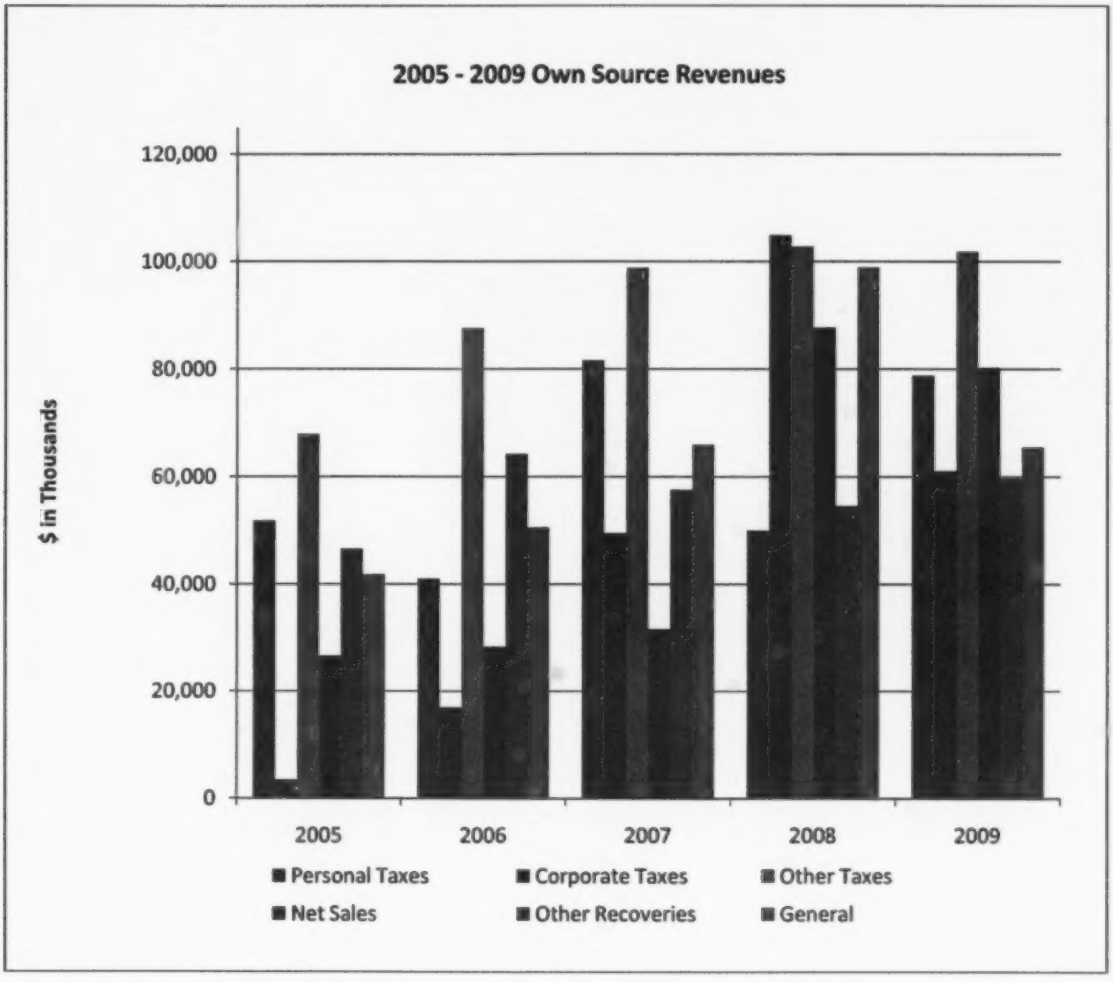
Since 2005, GNWT's revenues from the Formula Financing Grant from Canada decreased from 68% down to 57%. Major own-source revenues, such as corporate and personal income tax, tobacco tax, fuel taxes, and payroll tax have increased from 24 to 32% of total revenues. Other transfer payments revenues are approximately 10% of total revenues. Although the NWT has a vast reserve of non-renewable resources, it does not currently share in the revenue produced by those resources (royalties, etc). The intended result of ongoing tri-party negotiations between Canada, the GNWT and NWT Aboriginal Governments is the sharing of those resource revenues.

In October 2004, the federal Government introduced a New Framework for Territorial Formula Financing (TFF), which resulted in the TFF Grants for 2004-2005 and 2005-2006 being set in federal legislation at a fixed amount, subsequently extended to 2006-2007. Starting in the 2007-2008 fiscal year, Grants from Canada have returned to an annual formula-based calculation whereby the NWT's Grant equals the difference between its Gross Expenditure Base (proxy for expenditure requirements) and a measure of revenue capacity known as Eligible Revenues.

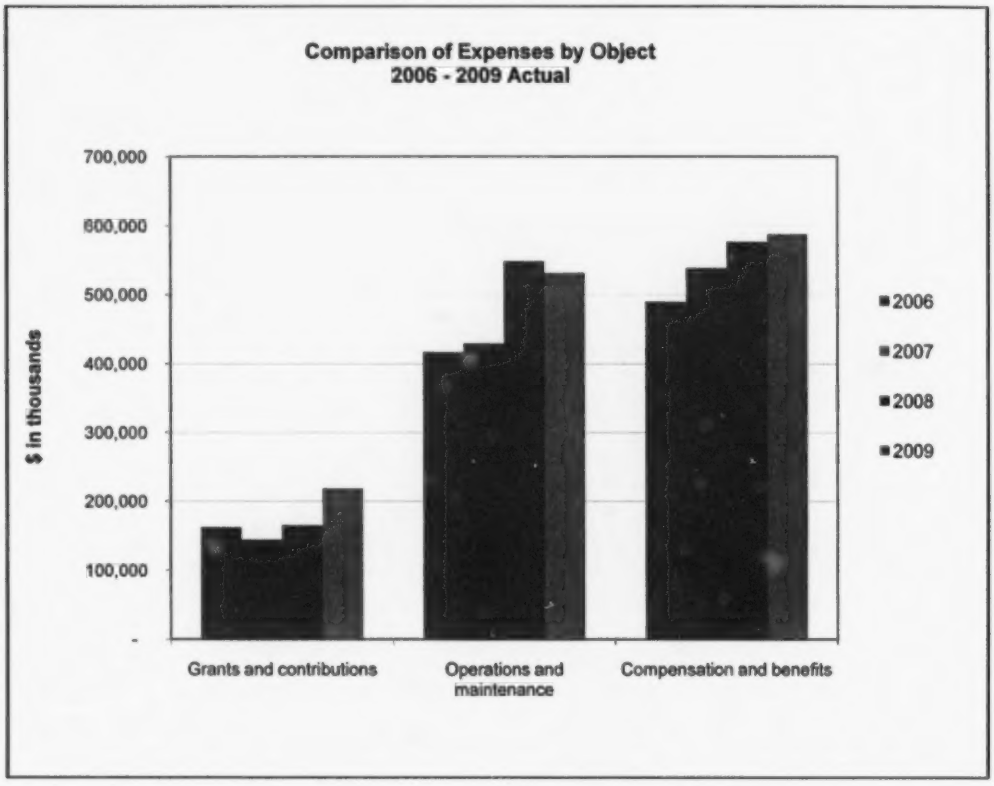
Under recent amendments to the *Federal-Provincial Fiscal Arrangements Act*, changes to income tax revenues in 2007-2008 will affect future Grant revenue and the Canada Health Transfer for 2007-2008 through 2010-2011, but will no longer affect the Canada Social Transfer. Changes in own-source revenue in the current fiscal year will not change the current fiscal year Grant. The change in the Grant now occurs in the second, third, and fourth years following a change in revenue.

REVENUES BY SOURCE (continued)

With the exception of Corporate Income Tax, other own-source revenues have proven to be fairly consistent over the years. Corporate Income Tax revenue is dependent upon a small base of significant taxpayers that accounts for the volatile nature of this tax revenue, so volatile that in 2003-2004 Corporate Income Tax revenue was a negative amount. This was the result of the repayment of 2002 Corporate Income Tax by the GNWT to the federal government, which had earlier advanced significant funds to the GNWT on the basis of an estimate of Corporate Income Tax that, in the end, proved to be too high. Canada bases estimates of Corporate Income Tax on the latest actual prior year tax revenue information available; for example; 2008 estimates were based on 2006 actual collections.



EXPENSES BY OBJECT

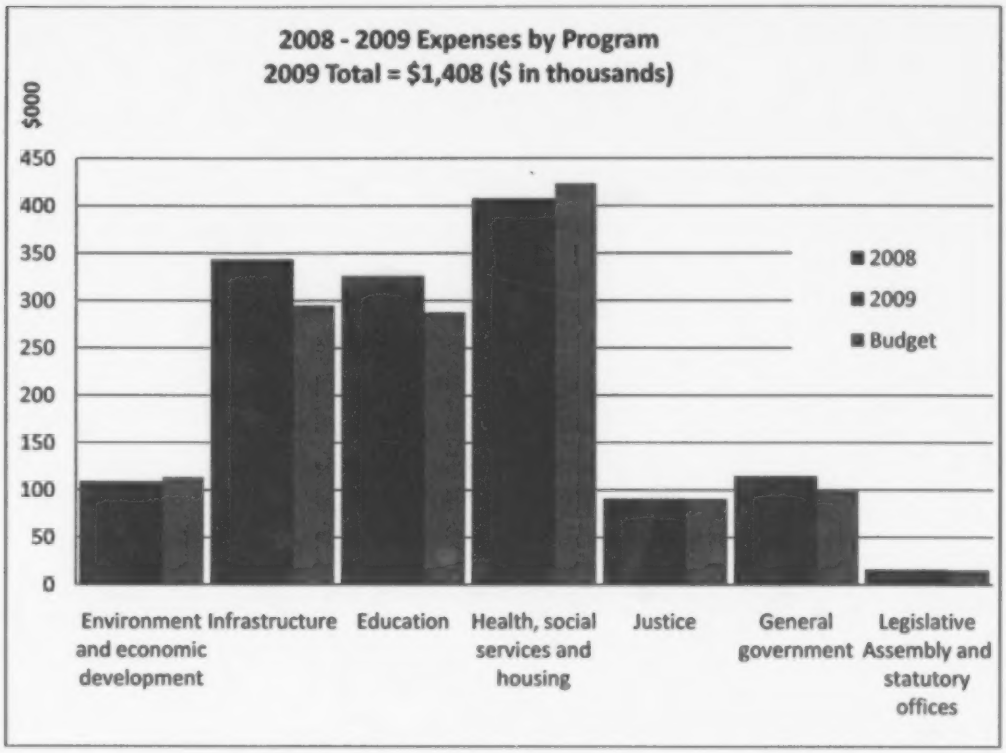


Fiscal year 2005 has been omitted for comparability due to the significant change in the Government reporting entity after the 2005 fiscal year, which would have skewed the comparisons. Amounts that were previously shown under *grants and contributions* are now reported under the *operations and maintenance* and *compensation and benefits* categories. This reallocation does not change the way these Government organizations are funded as many of our social and educational programs are funded by contributions. Many components of these funding agreements with boards and agencies are really fixed costs and as the major (or sole) provider of funds, the Government cannot vary the funding without affecting the level of output by these boards and agencies. In Section II of the Public Accounts, one can see that approximately 51% of the Government's total expenses flow as Grants and Contributions to third parties.

Additional types of fixed costs are long-term; such as, lease and other commitments which are disclosed in the notes to the consolidated financial statements (Public Accounts – Section I).

The Government is also vulnerable to inflation as it is an important factor when negotiating compensation and benefits. Not only are the direct wages of the Government vulnerable to this, but wage costs comprise a significant factor in determining the amount of grants and contributions given out to third parties, whether they are consolidated within the Public Accounts or not.

EXPENSES BY PROGRAM



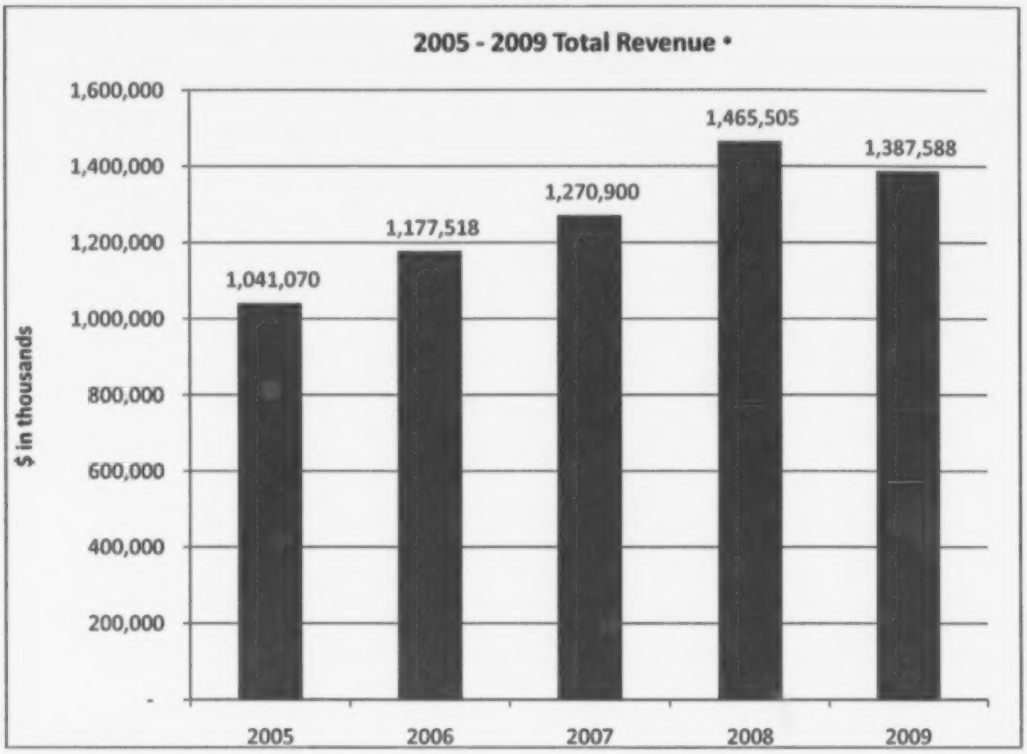
The Government spends the vast majority of its budget on social programs (education, health, support to community Governments, justice and housing), with the remaining budget allocated to infrastructure, natural resources and economic development. Any additional resources to improve a service often have to be made at the expense of other important needs. Balancing a budget entails not only controlling expenses but also finding the most effective and efficient mix of programs.

REVENUE AND INTEREST EXPENSE

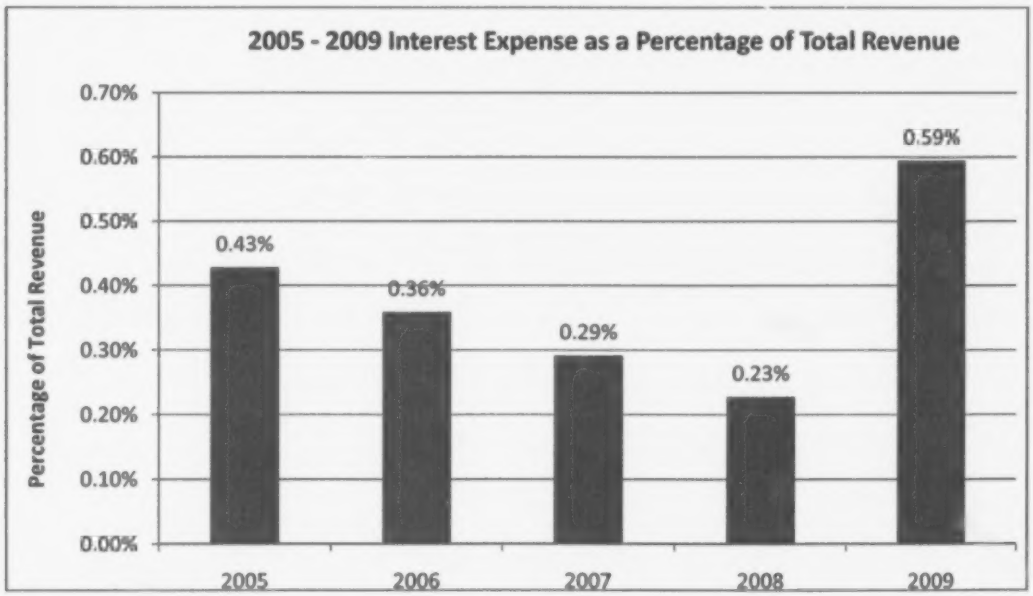
As shown in the graphs on the next page, the GNWT is in the enviable position of having to expend less than 1% of its total revenues to service its debt load, including interest paid on the Deh Cho Bridge (starting in 2009)

The Government's *Fiscal Responsibility Policy*, allowing for the purchase of tangible capital assets through the use of debt, requires the ratio cited above to be one of the parameters reported on to ensure that any new debt we assume does not affect our long-term sustainability. Under the *Fiscal Responsibility Policy*, payments on Government debt shall not exceed 5% of revenues.

REVENUE AND INTEREST EXPENSE (continued)



* *Recoveries of prior years' expenses and net income from the NWT Hydro Corp. are not included in this total.*



CONCLUSION

As described in the Introduction, the Canadian Institute of Chartered Accountants has suggested that a Government's financial health should be measured in terms of sustainability, flexibility and vulnerability. The preceding measures have attempted to illustrate how the GNWT's fiscal health measures up from this standpoint. This suggests the following conclusions:

Sustainability – at the end of the 2008-2009 fiscal year, the GNWT had a net debt of $30 million compared to net financial resources of $63 million at the end of the prior year. This small deterioration of our financial position is still small compared to our revenue stream of $1.4 billion. The net debt represents only 2.2%, or a little over a week of revenue. At March 31, 2009, the Government's long-term debt was $22.3 million (excluding the debt of the NWT Hydro Corporation, the NWT Opportunities Fund and the Deh Cho Bridge Corporation Ltd.) or 1.6% of the Government revenues for the year and less than 1% of GDP. These measures suggest that the GNWT may not be able to maintain current programs without increasing the debt burden on the economy to some degree but that an increased debt load is sustainable, at least for the short term.

Flexibility – this pertains to the Government's ability to increase its financial resources. The GNWT's own-source revenues increased from 22.9% in 2005 to 32.8% in 2009, but the majority of revenues still comes largely through the Grant (Formula Financing arrangement). The Government does not have access to resource royalty revenues as the federal Government continues to control all NWT subsurface resources. The GNWT has a federally imposed limit on its borrowing of $500 million. Although the GNWT is currently well under its limit, $500 million represents only 35.5% of 2008-2009 expenses, or 18 weeks of operations.

Vulnerability – this is a measure of how dependent a Government is on sources of funding outside its control or influence. To assess the GNWT's vulnerability, it is not necessary to look further than the Government's limited own-source revenues and the volatility related to corporate income tax. The formula determining the Territorial Formula Financing Grant is fixed in federal legislation as of 2008-2009 and remains in effect until March 31, 2014.

In summary, the GNWT is financially stable at this point in time, but it has limited flexibility to raise new revenues and it continues to be very vulnerable to federal changes to its future revenues.

ADDITIONAL SOURCES OF INFORMATION

The GNWT produces several other documents and maintains web sites that may be referenced for additional information, including the following:

Government of the Northwest Territories Web Site at www.gov.nt.ca

Government of the Northwest Territories Public Accounts

- Section I – Consolidated Financial Statements
- Section II – Non-Consolidated Financial Statements

Supplementary Financial Statements (Entities included in the Government Reporting Entity)

Government of the Northwest Territories Main Estimates

Budget Address

Business Plans

Geographic Tracking Report

Results Report